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DEPT FOR S/OFFICE OF GLOBAL AIDS COORDINATOR
STATE PLEASE PASS TO USAID FOR GLOBAL BUREAU APETERSON
USAID ALSO FOR GH/OHA/CCARRINO AND RROGERS, AFR/SD/DOIT
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SUBJECT: SOUTH AFRICA PUBLIC HEALTH DECEMBER 10 ISSUE

Summary

1. Summary. Every two weeks, USEmbassy Pretoria publishes a public health newsletter highlighting South African health issues based on press reports and studies of South African researchers. Comments and analysis do not necessarily reflect the opinion of the U.S. Government. Topics of this week's newsletter cover: South Africa's Response to HIV/AIDS Still Includes Denial and Ignorance; HIV/AIDS Places Burden on Elderly; Some Regions Fear HIV/AIDS, Others Cancer; Health Department Reports Increase in Number of Patients on ARV; Economic Cost of AIDS May Worsen; Telkom HIV/AIDS Prevalence Rate Expected to Peak at 11.4 Percent; Correctional Services Conducts HIV Survey in Prisons; HIV/AIDS Budgets for National and Provincial Government; Provincial Progress on Implementing Government's HIV/AIDS Treatment Plan; and SA's Labor Force Declines with HIV/AIDS, Discouragement Impacts. End Summary.

SA's Response to HIV/AIDS Still Includes Denial and Ignorance

2. The latest figures from the Actuarial Society of South Africa suggest that about one in nine South Africans is infected with HIV, the virus that causes AIDS, and about 5 million people who are living with the disease, the largest case load in the world. The Human Sciences Research Council's 2002 household survey estimated that 6.2 percent of white South Africans were infected with HIV, the biggest middle class epidemic in the world. By comparison, an estimated 12.9 percent of black Africans were infected. Many health care practitioners find that their patients know about HIV/AIDS but few are changing their behavior. The same patients repeatedly ask for HIV tests. These are not sex workers for whom HIV is a hazard of their jobs, but people who refuse to accept that they need to protect themselves with condoms. The point about an HIV test is to have it once, and if you are negative to keep it that way. "There's a mistaken belief among many middle- to upper income professionals, particularly whites, that they are not at risk," says Mark Heywood of the Treatment Action Campaign. The fact that HIV has disproportionately affected poor, black, young women is an indication that many of them think it cannot affect them, says Jonathan Berger, of the AIDS Law Project at the University of the Witwatersrand. That denial is worsened by SA's HIV-prevention campaigns, which focus almost exclusively on young people. "By telling part of the story as if it were the entire story, the vulnerability picture often painted is both inaccurate and misleading," he says in a paper accepted for publication by the journal Development Update. Berger argues that SA's limited public education campaigns are deeply flawed, presenting a sanitized view of sex that bears little relation to people's lives. They focus on young men and women having heterosexual sex, and shy away from anything vaguely taboo, he says. Very little research investigates what kind of sex people are having. And when research does shed light on potentially dangerous practices, Berger states that the findings are not incorporated in education campaigns. Despite the frustration expressed by many HIV/AIDS experts, there is some encouraging evidence that young people are waiting longer before they have their first sexual encounters; are using condoms more consistently; and are more conscious of the dangers of HIV, says loveLife CEO David Harrison. Source: Business Day, December 1.

HIV/AIDS Places Burden on Elderly

3. The Human Sciences Research Council (HSRC) released a study on the impact of HIV/AIDS on the elderly (aged 60 and older) in Mpumalanga that highlights the particularly heavy financial and care burden the elderly are paying. The study found that 72 percent of older people in the province are the main breadwinners in multi-generational households, spending most of their income on household necessities and the education of grandchildren. Nine percent are caring for sick young adults living in the household, 22 percent are staying with grandchildren whose own parents are either dead or away in the

cities on a long-term basis, 20 percent take care of children six years or younger, and 46 percent take care of children between the ages of six and 18. With 60 percent of orphans in South Africa being cared for by their grandparents, bringing up a second generation weighed heavily on the elderly. Funerals carry a substantial cost, often shouldered by the elderly as the main breadwinner, or receiver of a state pension. The majority of the elderly are female, according to census 2001 there are 34 males to 100 females in Mpumalanga. Most stay in rural areas, with even those who worked in the cities returning to rural areas when reaching retirement age to reunite with their extended families. Source: SAPA, Mail and Guardian, December 1.

Some Regions Fear HIV/AIDS, Others Cancer

14. A global survey has found that Africans, West Asians and Latin Americans believe that HIV/AIDS is the most important disease confronting them -- while people elsewhere fear cancer. The Gallup International/Markinor poll interviewed more than 50,000 people in over 60 countries between June and August for their annual Voice of the People survey. They were asked for their views of the most important disease in their country. Overall, four out of every 10 (42 percent) citizens in the countries polled around the world mentioned cancer as the most threatening disease -- a concern shared in most countries, but not unanimously. Twenty-seven percent rated HIV/AIDS as the top disease and 15 percent heart attacks and strokes. Three percent rated tuberculosis highest, two percent malaria and one percent Severe Acute Respiratory Syndrome, while eight percent rated other illnesses and four percent did not know or would not answer. All five African countries included in the survey are amongst the first 11 that regard HIV/AIDS as the most important disease. In the five African countries polled, two thirds of interviewees believed that HIV/AIDS was the most important disease facing them. Malaria was the second most frequently mentioned disease in Africa and was of particular concern for Nigerians (35 percent) and the people of Cameroon (31 percent). Source: SAPA, December 1.

Health Department Reports Increase in Number of Patients on ARV

15. The number of people receiving anti-retroviral therapy in accredited government facilities increased from 11,250 at the end of August to 19,500 in October, Health Minister Manto Tshabalala-Msimang reported. Treatment is available in at

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least one facility in 50 of the 53 districts in the country. A total of 103 facilities have been accredited and are providing care and treatment for people with HIV and AIDS. Three centers have been established to detect, assess, and prevent adverse reaction to anti-retroviral drugs. A center at the Medical University of SA focuses on the use of anti-retroviral drugs and traditional medicine between adolescent and adults with HIV and AIDS. The second center at the Free State University deals with the use of anti-retroviral drugs among pregnant women and infants. The University of Cape Town also serves as a reference center for adverse reaction to all types of medicines registered in the country. At least 67 percent of all public health clinics were providing voluntary counseling and testing (VCT) services, which had increased the coverage rate. The number of people using VCT services had increased from 412,696 in 2002/2003 to 690,537 in 2003/4. The Health Department reported that there were now 10,000 counselors at service points throughout the country at the end of March 2004. Rapid HIV test kits were widely available at the service points to ensure people received results immediately. In addition, more than R9.4 million (\$1.6 million, using 5.7 rands per dollar) had been spent on communication, including newspaper, radio and billboard advertising, and production of information and educational material to support the implementation of the comprehensive plan. Source: SAPA, Health Dept Health News Release, November 25.

Economic Costs of AIDS May Worsen

16. Although data on the extent of HIV/AIDS and its impact on the South African economy vary, analysts agree that government and businesses need to take urgent action to combat the virus. Already HIV/AIDS is estimated to be reducing South Africa's growth rate by a minimum of 0.3 to 0.4 percent per year. Forecasts of future growth show large discrepancies, however, as financial experts have created different mathematic models to calculate the consequences. Analysts at Apt Associates estimated that the country's gross domestic product (GDP) will be 17 percent lower by 2010 than it would have been without AIDS, leading to a loss of \$22 billion. Financial analysts at ABSA bank, in contrast, estimate the shrinkage of GDP at 9.6 percent by 2015, while ING Barings put the figure at only 2.8 percent. One of the paradoxes of the HIV epidemic in sub-Saharan Africa is that in the past 10 years it has not made a huge dent on standard macroeconomic yardsticks, such as GDP.

This is due, in part, to the labor situation in South Africa. The country's labor surplus means that workers removed by AIDS can be replaced without much loss of productivity. The World Bank analysis emphasizes the long-term impact of the disease on human capital, arguing that the damage in terms of accumulated loss of GDP per capita will be large, if left untreated. This suggests that a country like South Africa could face progressive economic decline over several generations, unless it combats its AIDS epidemic more urgently. By mainly taking the lives of young adults, AIDS seriously weakens a country's tax base; as a result, national finances will come under increasing pressure. Less income from taxes will reduce the government's ability to finance public expenditures, including those aimed at accumulating human capital, such as education and public health services. It will also have to handle severe financial strain in other social spending categories, such as grants for AIDS orphans. To balance these, the government is likely to raise taxes. AIDS will create significant costs to business. At the company level, the pandemic poses a serious threat to profitability as well as competitiveness. Firms will have to face increasing absenteeism due to illness, funeral attendances and care taking of family members. Businesses will also see rising expenditure on medical and pension benefits, loss of skilled manpower leading to disruption of production, as well as increases in training, recruitment and personnel turnover costs. Old Mutual Healthcare, for example, estimated that additional healthcare costs as a result of HIV/AIDS could reach \$3.8-billion per year by 2009. By 2010 life expectancy will be 43 years, 17 years less than it would have been without AIDS. Analysts estimate the South African labor force will decline by up to 23.5 percent by 2015. To what degree enterprises are affected varies between business sectors. The mining sector has been worst hit by the pandemic, with an AIDS prevalence rate among its workforce of 25 percent, closely followed by manufacturing with a prevalence rate of up to 19 percent. Construction, retail and wholesale count as medium- to low-risk sectors. The effects of AIDS on businesses will also depend on a company's location. In provinces with high prevalence rates, such as KwaZulu-Natal and Gauteng, close to 40 percent of firms indicated that AIDS already had a negative impact on their profits, according to Bureau for Economic Research. In the Western Cape and Eastern Cape, the numbers were 25 percent and 27 percent respectively. HIV/AIDS is a risk of doing business in South Africa, right next to asset security, crime and exchange rate volatility, besides political and infrastructural risk. Only about a quarter of the country's businesses -- mainly large corporations -- have workplace policies in place. Small and medium-sized firms often lack human and financial resources to implement an AIDS plan. Source: Mail and Guardian, November 26.

Telkom HIV/AIDS Prevalence Rate Expected to Peak at 11.4 Percent

17. Telkom, the telecommunications parastatal, expects its HIV/AIDS rate among employees to peak at 11.4 percent in 2006, with the company's current HIV/AIDS prevalence rate at 9.6 percent. Telkom's introduction of antiretroviral treatment, which started in October, is part of an integrated health management strategy to manage health risks and invest in human capital. Telkom had allocated R8 million (\$1.4 million) in the current financial year for the management of HIV/AIDS. The company is offering a voluntary counseling, testing and treatment (VCT) program, which offers employees around the country access to a range of HIV/AIDS related services in absolute privacy and confidentiality. Telkom does not have access to details of an employee's HIV and AIDS status unless he or she voluntarily discloses the information. The first phase of Telkom's VCT program ended in October, during which 2,504 employees were tested. The second phase is currently running until March next year with a target of 10,000. Source: SAPA, December 1.

Correctional Services Conducts HIV Survey in Prisons

18. The Department of Correctional Services announced that a national survey of prison inmates to determine HIV/AIDS prevalence is now in the preparation phase, with a task team and steering committee established. The prevalence of HIV/AIDS will be ascertained by extrapolation from a sample. The 2003/04 annual report of the judicial inspectorate of prisons, described HIV/AIDS in prisons as a "major problem". The report noted that about 58 percent of prisoners were men below the age of 30, who were more sexually active and prone to take risks than older men. The report found that natural deaths were rising and the increase could be "fairly attributed" to HIV/AIDS and the opportunistic diseases that followed. Natural deaths rose by 584 percent from 1995 to 2000, with 1087 deaths in 2000 and 1683 in 2003. Seven months ago an AIDS directorate was established focusing on care and support, prevention and treatment. The Department of Correctional Services was conducting a baseline study of the number of offenders currently using ARVs in prisons, with preliminary results expected in early December. Source: SAPA, December 1.

19. Government commitment to HIV/AIDS funding only really materialized in 2000 with the introduction of special conditional grants, according to Alison Hickey, manager of Idasa's AIDS Budget Unit. Before 2000, the AIDS budget was minimal. The 2004/5 national budget shows a serious commitment to making financial resources available for the new ARV treatment programs. National Treasury has specifically allocated R1.439 billion (\$250 million) for HIV/AIDS programs and services in this year. This is seven times what was set aside to fight HIV/AIDS in 2000/1. However, HIV/AIDS funds still constitute less than 1 percent of the total budget. Money for ARV treatment is sent to provinces via conditional grants. However, Hickey is concerned that provinces such as the Eastern Cape and Mpumalanga may struggle to spend their grants. "For those provinces with weaker financial and project management skills, absorption capacity could well be the primary obstacle to roll-out," she says. One of the weaknesses in the national Department of Health identified by the Auditor General is its inability to monitor conditional grants properly. A new clause in the Division of Revenue Bill allows unspent HIV/AIDS grants to be relocated to better-performing provinces. Researcher Hein Marais found that the Western Cape, Eastern Cape and Mpumalanga did not allocate any funds specifically for HIV/AIDS in 1998. Gauteng was the only province to allocate a substantial sum, with R49 million allocated across all its departments and R4 million set aside for NGOs. Source: Health E-News, November 28.

Provincial Progress on Implementing Government's HIV/AIDS Treatment Plan

10. North West Province
Provincial Health Department has allocated close to R50 million for voluntary counseling and testing (VCT), prevention of mother-to-child transmission (PMTCT) and sexually transmitted infections. The high AIDS prevalence rate (29.9 percent) has led to more rapid implementation of the treatment plan, with more than 5,000 new patients coming to the 3 available service points and more than 1,000 patients being treated. The provincial health department was allocated R70 million for the HIV/AIDS program, including R29 million for ARVs.

Gauteng
Nineteen hospitals in the province are now providing ARV drugs and the province plans to expand the program to 80 facilities by 2009. By November 5, 49,268 people have been assessed, of whom 5,588 adult and 800 children received ARVs. 2002 records indicate that 54 percent of people between 15 and 34 years of age admitted to state hospitals were infected with HIV.

Limpopo
Limpopo has the third lowest (17.5 percent) HIV prevalence rate in the country. Since October, more than 2,000 patients have been assessed, with 300 adults and 40 children on ARV treatment. The province has eight treatment sites and by April 2005, will introduce the ARV treatment program to 30 district hospitals and 22 community health centers. The province has R80 million for the AIDS program during the 2004 financial year and R120 million for next year.

Northern Cape
The provincial treatment program started three months ago and now has 1,200 patients qualified for ARV treatment with 250 patients registered for treatment. Approximately 500 patients with more than a CD4-count of 200 have been assessed. R31.8 billion has been allocated for the AIDS program this year.

Eastern Cape
The province launched its treatment program in May and 2,000 patients, 135 of them children, are receiving treatment at 11 sites. R40 million has been allocated and about R22.6 million has been spent on ARV treatment in the 2004 fiscal year. A regional training center, funded by the Department of Health, Columbia University and CDC, provides HIV/AIDS training to health care professionals. So far, 1,000 have received training.

Western Cape
The province has 31 treatment sites, a total HIV/AIDS budget of R119 million, of which R29 million is a grant from the Global Fund. The province estimates that about 12,000 people need ARV treatment and so far about 5,500, of which 1,000 are children, are receiving ARVs. The Western Cape has the lowest HIV/AIDS prevalence rate of 13.1 percent.

Free State
In October, the number of patients on treatment was 250, much lower than the March 2005 target of 2,127; however its goals of providing 5 treatment sites have been reached. A budget of R30 million has been allocated for 2004 and R50 million for next year. For next year, an additional 16 sites providing ARV treatment are planned.

Mpumalanga
The province currently has eight ARV treatment sites, though the national Department of Health declared in October that the province had 12. R 67 million was allocated to the AIDS program this financial year and the province will likely not

reach its target of 1,934 patients on ARV treatment by March 2005. Currently Mpumalanga is treating 378 patients compared to 130 patients in July.

KwaZulu-Natal

KZN has the highest AIDS prevalence rate at 38 percent and will likely not meet its March 2005 target of 20,000 patients on treatment. The province is currently treating 3,247 adults and 167 children at 31 sites. A further 16 sites have been recommended for accreditation by the national advisers. A conditional grant of R64 million is available for the ARV treatment program. Source: Mail&Guardian, November 26 to December 2.

SA's Labor Force Declines with HIV/AIDS, Discouragement Impacts

10. South Africa's labor force has declined over the past few years, probably because more people have given up looking for work or are infected with HIV, says a new report in the South African Reserve Bank's Labor Market Frontiers report. South Africa's labor force participation rate, which counts the number of people working and actively seeking work as a proportion of the total population, has dropped to 54.1 percent in September 2003, down from 58.9 percent in September 2000. Official figures from Statistics SA show that unemployment dropped to 4.6 million in September 2003 from 5.3 million in March 2003, based on the narrow definition of unemployment, where an individual had been actively seeking work prior to the survey. The drop in unemployment was not matched by an increase in total employment over that period, with more people dropping out of the labor market. The number of discouraged job seekers increased the unemployed figure to more than 8 million. The Bank's report stated that job seekers were discouraged because of the slim chances of finding a job, or because they lacked funds to search actively for work. Another likely cause for a drop in labor market participation was the effect of HIV/AIDS. The report points to research that shows a drop in HIV/AIDS prevalence among younger people in their twenties, and an increase in higher age groups, making up most of the labor force. The report also assesses whether social grants have a negative incentive on labor force participation, but found mixed results. Some studies show that pension payments cause an indirect effect of withdrawal from the labor market. However, other studies show that a child support grant could result in higher labor force participation. Source: Business Day, December 3.

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